

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 1 be amended to read as follows:

- 1 Page 58, line 30, after "county" insert ", **excluding business**
- 2 **personal and real property,**".
- 3 Page 58, line 35, after "property" insert ", **excluding business real**
- 4 **property,**".
- 5 Page 82, between lines 28 and 29, begin a new paragraph and insert:
- 6 "SECTION 50. IC 6-3.1-4-2, AS AMENDED BY P.L.192-2002(ss),
- 7 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JANUARY 1, 2004]: Sec. 2. **(a)** A taxpayer who incurs Indiana
- 9 qualified research expense in a particular taxable year is entitled to a
- 10 research expense tax credit for the taxable year.
- 11 **(b) A taxpayer who does not have income apportioned to**
- 12 **Indiana for a taxable year under IC 6-3-2-2 is entitled to a**
- 13 **research expense tax credit for the taxable year** in the amount of
- 14 the product of:
- 15 (1) ~~ten~~ **five** percent ~~(10%)~~; **(5%)**; multiplied by
- 16 (2) the remainder of the taxpayer's Indiana qualified research
- 17 expenses for the taxable year, minus:
- 18 (A) the taxpayer's base period Indiana qualified research
- 19 expenses, for taxable years beginning before January 1, 1990;
- 20 or
- 21 (B) the taxpayer's base amount, for taxable years beginning
- 22 after December 31, 1989.
- 23 **(c) A taxpayer who has income apportioned to Indiana for a**

taxable year under IC 6-3-2-2 is entitled to a research expense tax credit for the taxable year in the amount of the lesser of:

- (1) the amount determined under subsection (b); or
- (2) five percent (5%) multiplied by the remainder of the taxpayer's total qualified research expenses for the taxable year; minus:

- (A) the taxpayer's base period research expenses, for taxable years beginning before January 1, 1990; or

- (B) the taxpayer's base amount, for taxable years beginning after December 31, 1989;

multiplied by the percentage determined under IC 6-3-2-2 for the apportionment of the taxpayer's income for the taxable year to Indiana.

SECTION 51. IC 6-3.1-24-5, AS AMENDED BY P.L.214-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 5. As used in this chapter, "taxpayer" means an individual ~~or entity, including a pass through entity,~~ that has any state tax liability.

SECTION 52. IC 6-3.1-26-11, AS ADDED BY P.L.224-2003, SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 11. As used in this chapter, "taxpayer" means an individual ~~a corporation, a partnership, or other entity~~ that has state tax liability."

Page 99, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 61. IC 27-1-18-2, AS AMENDED BY P.L. 144-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 2. (a) Every insurance company not organized under the laws of this state, and each domestic company electing to be taxed under this section, and doing business within this state shall, on or before March 1 of each year, report to the department, under the oath of the president and secretary, the gross amount of all premiums received by it on policies of insurance covering risks within this state, or in the case of marine or transportation risks, on policies made, written, or renewed within this state during the twelve (12) month period ending on December 31 of the preceding calendar year. From the amount of gross premiums described in this subsection shall be deducted:

- (1) considerations received for reinsurance of risks within this state from companies authorized to transact an insurance business in this state;
- (2) the amount of dividends paid or credited to resident insureds, or used to reduce current premiums of resident insureds;
- (3) the amount of premiums actually returned to residents on account of applications not accepted or on account of policies not delivered; and

(4) the amount of unearned premiums returned on account of the cancellation of policies covering risks within the state.

(b) A domestic company shall be taxed under this section only in each calendar year with respect to which it files a notice of election. The notice of election shall be filed with the insurance commissioner and the commissioner of the department of state revenue on or before November 30 in each year and shall state that the domestic company elects to submit to the tax imposed by this section with respect to the calendar year commencing January 1 next following the filing of the notice. The exemption from license fees, privilege, or other taxes accorded by this section to insurance companies not organized under the laws of this state and doing business within this state which are taxed under this chapter shall be applicable to each domestic company in each calendar year with respect to which it is taxed under this section. In each calendar year with respect to which a domestic company has not elected to be taxed under this section it shall be taxed without regard to this section.

(c) For the privilege of doing business in this state, every insurance company required to file the report provided in this section shall pay into the treasury of this state an amount equal to **two percent (2%)** of the excess, if any, of the gross premiums over the allowable deductions. ~~multiplied by the following rate for the year that the report covers:~~

~~(1) For 2000, two percent (2%);~~

~~(2) For 2001, one and nine-tenths percent (1.9%);~~

~~(3) For 2002, one and eight-tenths percent (1.8%);~~

~~(4) For 2003, one and seven-tenths percent (1.7%);~~

~~(5) For 2004, one and five-tenths percent (1.5%);~~

~~(6) For 2005 and thereafter, one and three-tenths percent (1.3%);~~

(d) Payments of the tax imposed by this section shall be made on a quarterly estimated basis. The amounts of the quarterly installments shall be computed on the basis of the total estimated tax liability for the current calendar year and the installments shall be due and payable on or before April 15, June 15, September 15, and December 15, of the current calendar year.

(e) Any balance due shall be paid in the next succeeding calendar year at the time designated for the filing of the annual report with the department.

(f) Any overpayment of the estimated tax during the preceding calendar year shall be allowed as a credit against the liability for the first installment of the current calendar year.

(g) In the event a company subject to taxation under this section fails to make any quarterly payment in an amount equal to at least:

(1) twenty-five percent (25%) of the total tax paid during the preceding calendar year; or

(2) twenty per cent (20%) of the actual tax for the current

1 calendar year;
 2 the company shall be liable, in addition to the amount due, for interest
 3 in the amount of one percent (1%) of the amount due and unpaid for
 4 each month or part of a month that the amount due, together with
 5 interest, remains unpaid. This interest penalty shall be exclusive of and
 6 in addition to any other fee, assessment, or charge made by the
 7 department.

8 (h) The taxes under this article shall be in lieu of all license fees or
 9 privilege or other tax levied or assessed by this state or by any
 10 municipality, county, or other political subdivision of this state. No
 11 municipality, county, or other political subdivision of this state shall
 12 impose any license fee or privilege or other tax upon any insurance
 13 company or any of its agents for the privilege of doing an insurance
 14 business therein, except the tax authorized by IC 22-12-6-5. However,
 15 the taxes authorized under IC 22-12-6-5 shall be credited against the
 16 taxes provided under this chapter. This section shall not be construed
 17 to prohibit the levy and collection of state, county, or municipal taxes
 18 upon real and tangible personal property of such company, or to
 19 prohibit the levy of any retaliatory tax, fine, penalty, or fee provided by
 20 law. However, all insurance companies, foreign or domestic, paying
 21 taxes in this state predicated in part on their premium income from
 22 policies sold and premiums received in Indiana, shall have the same
 23 rights and privileges from further taxation and shall be given the same
 24 credits wherever applicable, as those set out for those companies
 25 paying only a tax on premiums as set out in this section.

26 (i) Any insurance company failing or refusing, for more than thirty
 27 (30) days, to render an accurate account of its premium receipts as
 28 provided in this section and pay the tax due thereon shall be subject to
 29 a penalty of one hundred dollars (\$100) for each additional day such
 30 report and payment shall be delayed, not to exceed a maximum penalty
 31 of ten thousand dollars (\$10,000). The penalty may be ordered by the
 32 commissioner after a hearing under IC 4-21.5-3. The commissioner
 33 may revoke all authority of such defaulting company to do business
 34 within this state, or suspend such authority during the period of such
 35 default, in the discretion of the commissioner."

36 Page 122, between lines 3 and 4, begin a new paragraph and insert:

37 "SECTION 85. [EFFECTIVE JANUARY 1, 2004] **Notwithstanding**
 38 **their repeal by P.L.192-2002(ss), the taxes imposed by the**
 39 **following statutes are reinstated for taxable years beginning after**
 40 **December 31, 2003, and must be administered under the provision**
 41 **of those statutes as they existed before their repeal:**

42 (1) IC 6-2.1 (gross income tax).

43 (2) IC 6-3-8 (supplemental net income tax).

44 SECTION 86. [EFFECTIVE JANUARY 1, 2004] **(a) The**
 45 **legislative services agency, under the direction of the code**

1 **revision commission, shall prepare legislation for introduction in**
2 **the 2004 session of the general assembly to make conforming**
3 **changes to statutes, as needed, to reconcile the statutes with this**
4 **act.**

5 **(b) This SECTION expires June 30, 2005.**

6 SECTION 87. THE FOLLOWING ARE REPEALED [EFFECTIVE
7 JANUARY 1, 2004]: IC 6-1.1-12-41; IC 6-1.1-12-42."

8 Renumber all SECTIONS consecutively.

 (Reference is to ESB 1 as printed December 2, 2003.)

Representative Fry